Exhibit "E"

COMPLAINT

Bullivant | Houser | Bailey PC

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duly	organized	and existing	under the	laws o	of the	State	of Delaware	and m	aintaining	their
prine	ciple places	of business i	n New Yo	ork, Ne	w Yor	k.				

- At all material times, Defendant Terry Markwell ("Markwell") was and is a 2. resident of Reno, Nevada.
- 3. At all material times, Defendant Charles Maraden ("Maraden") was and is a resident of Reno, Nevada.
- At all material times, Defendant William Denny ("Denny") was and is a 4. resident of Fair Oaks, California.
- At all material times, Defendant Steve Kowalski ("Kowalski") was and is a 5. resident of Rancho Palos Verdes, California.
- At all material times, Defendant Ronald McLemore ("McLemore") was and is a resident of Palestine, Texas.
- At all material times, Defendant Edward Schoonover ("Schoonover") was and 7. is a resident of Mesa, Arizona.
- The true names and capacities of Defendants named as DOES 1 through 100 8. and ROE ENTITIES 1 through 100 are unknown to Plaintiff at this time; therefore, Plaintiff sues these Defendants by fictitious names. Plaintiff will advise this Court and seek leave to amend this Complaint when the Doe and Roe Defendant names and capacities are ascertained. Plaintiff alleges that each Doe and Roe Defendant is responsible in some manner for the events and happenings referred and alleged.
- Defendants Markwell, Maraden, Denny, Kowalski, McLemore, 9. Schoonover as well as other persons similarly situated were direct lenders (collectively "Direct Lenders") to persons or entities that sought to borrow money.
- The Direct Lenders contractually agreed via Loan Servicing Agreements that 10. USA Commercial Mortgage Company would service the loans made by the Direct Lenders.
- The Loan Servicing Agreements were executed and/or performed, at least in 11. part, in Clark County, Nevada.

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- 12. Pursuant to the Loan Servicing Agreements, the laws of the State of Nevada govern the Loan Servicing Agreements; therefore, venue and jurisdiction are proper in Clark County, Nevada.
 - 13. USA Commercial Mortgage Company filed for Chapter 11 bankruptcy.
- Compass successfully bid for USA Commercial Mortgage Company's 14. contractual rights under the Loan Servicing Agreements.
- 15. These contractual rights are described in an Asset Purchase Agreement that was approved in a United States Bankruptcy Court for the District of Nevada Order.
- As the successful bidder, Compass acquired USA Commercial Mortgage 16. Company's contractual rights arising under the Loan Servicing Agreements.
- 17. Some Direct Lenders affiliated themselves into a self-styled "Lender Protection Group."
 - 18. Each Defendant is a member of the "Lender Protection Group."
- 19. Defendants Markwell, Maraden, Denny, Kowalski, McLemore, Schoonover (collectively, the "Loan Captains") voluntarily accepted Loan Captain positions for the Lender Protection Group.
 - 20. The Loan Captains contacted various individual Direct Lenders.
- 21. Consistent with their self-appointed and/or voluntary roles, the Loan Captains will continue to contact individual Direct Lenders.

First Claim for Relief

(Intentional Interference with Contractual Relations) Against all Defendants

- 22. Compass incorporates the prior and succeeding paragraphs as if they were set forth fully herein.
- 23. USA Commercial Mortgage Company and the Direct Lenders entered into valid and existing contracts for loan servicing.

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24.	Compa	ss is the	right	ful	l owne	r of the r	ights e	enjoye	i by	USA	A Comn	nercial
Mortgage	Company	pursuant	to a	ın	Asset	Purchase	Agree	ement	and	the	United	States
Bankruptc	y Court for	the Distr	ict of	N	evada's	order.						

- Defendants knew of the Loan Servicing Agreements, the Asset Purchase 25. Agreement, and the United States Bankruptcy Court for the District of Nevada's Order.
- Defendants committed intentional acts intended or designed to disrupt the 26. contractual relationships between Compass and the other Direct Lenders.
 - 27. Defendants' intentional acts are on going.
- Defendants intentional acts were made with fraud, oppression, or malice, 28. expressed or implied.
- There has been a disruption in the contractual rights due to the Defendants' 29. intentional acts.
- Compass suffered damages as a result of the disruption caused by the 30. Defendants.
- It has been necessary for Compass to retain the services of legal counsel to 31. prosecute this action; therefore, Compass is entitled to attorneys' fees and costs related to this action.

Second Claim for Relief

(Intentional Interference with Prospective Economic Advantage) Against all Defendants

- Compass incorporates the prior and succeeding paragraphs as if they were set 32. forth fully herein.
- Prospective contractual relationships exist or existed between Compass and 33. third parties.
 - Defendants knew of these prospective relationships. 34.
 - Defendants intended to harm Compass by preventing the relationships. 35.

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- Defendants had no privilege or justification for their intentional interference. 36.
- 37. Defendants' conduct resulted in actual harm to Compass.
- It has been necessary for Compass to retain the services of legal counsel to 38. prosecute this action; therefore, Compass is entitled to attorneys' fees and costs related to this action.

Third Claim for Relief

(Contractual Breach of the Implied Covenant of Good Faith and Fair Dealing) Against all Defendants

- Compass incorporates the prior and succeeding paragraphs as if they were set 39. forth fully herein.
- Defendants entered into valid and existing contracts for loan servicing with 40. USA Commercial Mortgage Company.
- Compass is the rightful owner of the rights enjoyed by USA Commercial 41. Mortgage Company pursuant to an Asset Purchase Agreement and the United States Bankruptcy Court for the District of Nevada's Order.
 - Defendants owed a duty of good faith to Compass. 42.
- Defendants breached that duty by performing in a manner that was unfaithful 43. to the purpose of the contract.
 - Compass's justifiable expectations were thus denied. 44.
- It has been necessary for Compass to retain the services of legal counsel to 45. prosecute this action; therefore, Compass is entitled to attorneys' fees and costs related to this action.

Page 5 of 8 COMPLAINT

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On its First Claim for Relief, Intentional Interference with Contractual Relations, Compass prays for:

- a) injunctive relief causing a cessation in the intentional interference of contractual relations,
- b) damages in excess of \$10,000,
- c) punitive damages,
- d) costs of suit incurred and reasonable attorneys' fees, and
- e) such other and further relief as the Court deems just and proper.

On its Second Claim for Relief, Intentional Interference with Prospective Economic Advantage, Compass prays for:

- a) injunctive relief causing a cessation in the intentional interference with prospective economic advantage,
- b) damages in excess of \$10,000,
- c) punitive damages,
- d) costs of suit incurred and reasonable attorneys' fees, and
- e) such other and further relief as the Court deems just and proper.

Page 6 of 8 COMPLAINT

BULLIVANT HOUSER BAILEY PC

Peter C. Bernhard, Nevada Bar No. 734 Joseph P. Hardy, Nevada Bar No. 7370 Timothy J. Geswein, Nevada Bar No. 10049 3980 Howard Hughes Parkway, Suite 550 Las Vegas, Nevada 89169 Attorneys for Plaintiffs

Page 7 of 8 **COMPLAINT**

Page 8 of 8
COMPLAINT

Exhibit "F"

Case 06-10725-gwz

Doc 3854-2

Entered 05/30/07 17:02:18 Page 11 of 23

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	(a)		File	e with the C	lcrk	of this Cou	rt, who	ose a	ddress	is	show	n below	, a for	mal
written	response	to	the	Complaint	in	accordance	with	the	rules	of	this	Court,	with	the
appropr	iate filing	fee.	-											

- (b) Serve a copy of your response upon the attorney whose name and address is show below.
- 2. Unless you respond, your default will be entered upon application of the Defendant and failure to so respond will result in a Judgment of Default against you for the relief demanded in the Complaint, which could result in the taking of money or property or other relief requested in the Complaint.
- 3. If you intend to seek the advice of an attorney in this matter, you should do so promptly so that your response may be filed on time.
- 4. The State of Nevada, its political subdivisions, agencies, officers, employees, board members, commission members and legislators each have 45 days after service of this Summons within which to file an Answer or other responsive pleading to the Complaint.

Submitted by:

SHIRLEY B. PARRAGUIRRE CLERK OF COURT

Date

Deputy Clerk

BULLIVANT HOUSER BAILEY, P.C.

Peter C. Bernhard, Nevada Bar No. 73

Joseph P. Hardy, Nevada Bar No. 7370

Timothy J. Geswein, Nevada Bar No. 10049

20 3980 Howard Hughes Pkwy, Ste. 550

Las Vegas, Nevada 89169

Attorneys for Plaintiffs

NOTE: When service is by publication, add a brief statement of the object of the action. See Nevada Rules of Civil Procedure 4(b).

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AFFIRMATION

The undersigned does hereby affirm that the preceding SUMMONS filed in District

Court Case No. A does not contain the social security number of any person.

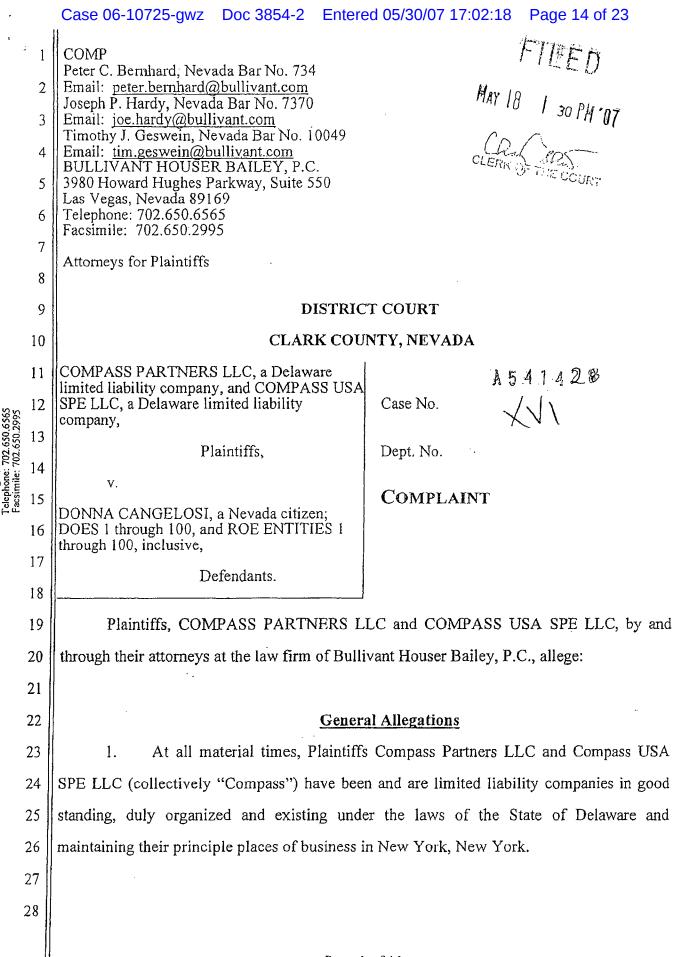
DATED this _ /8 The day of May, 2007.

BULLIVANT HOUSER BAILEY, P.C.

Peter C. Bernhard, Nevada Bar No. 734 Joseph P. Hardy, Nevada Bar No. 7370 Timothy J. Geswein, Nevada Bar No. 10049 3980 Howard Hughes Pkwy, Stc. 550 Las Vegas, Nevada 89169

Attorneys for Plaintiffs

Bullivant|Houser|Bailey PC



Bullivant|Houser|Bailey PC

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- At all material times, Defendant Donna Cangelosi ("Cangelosi") was and is a 2. resident of Reno, Nevada.
- 3. The true names and capacities of Defendants named as DOES 1 through 100 and ROE ENTITIES 1 through 100 are unknown to Plaintiffs at this time; therefore, Plaintiffs sue these Defendants by fictitious names. Plaintiffs will advise this Court and seek leave to amend this Complaint when the Doe and Roe Defendant names and capacities are ascertained. Plaintiffs allege that each Doe and Roe Defendant is responsible in some manner for the events and happenings referred and alleged.
- Cangelosi as well as other persons similarly situated were direct lenders 4. (collectively "Direct Lenders") to persons or entities that sought to borrow money ("borrowers").
- The Direct Lenders contractually agreed via Loan Servicing Agreements that 5. USA Commercial Mortgage Company would service the loans made by the Direct Lenders.
- 6. The Loan Servicing Agreements were executed and/or performed, at least in part, in Clark County, Nevada.
- Pursuant to the Loan Servicing Agreements, the laws of the State of Nevada 7. govern the Loan Servicing Agreements; therefore, venue and jurisdiction are proper in Clark County, Nevada.
 - USA Commercial Mortgage Company filed for Chapter 11 bankruptcy. 8.
- Compass successfully bid for USA Commercial Mortgage Company's 9. contractual rights under the Loan Servicing Agreements.
- The United States Bankruptcy Court for the District of Nevada determined 10. that Compass was a good faith purchaser.
- Compass paid valuable consideration for USA Commercial Mortgage 11. Company's contractual rights arising under the Loan Servicing Agreements after a competitive judicial auction and substantial negotiations with the official Committees appointed by the United States Trustee.

- 12. These contractual rights are described in an Asset Purchase Agreement that was approved in a United States Bankruptcy Court for the District of Nevada Order.
- 13. As the successful bidder, Compass acquired USA Commercial Mortgage Company's contractual rights arising under the Loan Servicing Agreements.
- 14. Some Direct Lenders affiliated themselves into a self-styled "Lender Protection Group."
- 15. Cangelosi is the founder and the self-appointed "Chair" of the "Lender Protection Group."
- 16. Cangelosi misrepresented the true facts and disparaged Compass to various other Direct Lenders, individual borrowers, media outlets, and government officials including regulatory agencies and elected politicians.
- 17. On information and belief, among Cangelosi's many wrongful acts and misrepresentations, Cangelosi hosted a conference call with members of the "Lender Protection Group" on March 29, 2007 during which she announced that she was "in talks" with the borrower for the Marlton Square investment. Also during the conference call, Cangelosi stated she was "in talks" with the borrower for the Lerin Hills investment and with the borrower for the Clear Creek Plantation investment.
- 18. Cangelosi's unauthorized and inappropriate discussions with borrowers, purportedly on behalf of other Direct Lenders as their authorized agent, directly hamper Compass's ability to resolve issues surrounding non-performing and under-performing loans in the loan portfolio. This hampering is intentional and harms the Direct Lenders as well as Compass, the Direct Lenders' true authorized agent, by preventing the payments of loan principals and interest.
- 19. On information and belief, among Cangelosi's many wrongful acts and misrepresentations, Cangelosi hosted a conference call with members of the "Lender Protection Group" on March 29, 2007, during which she suggested that Compass, a potential asset purchaser, and the seller of the bankruptcy asset were "in collusion"

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regarding an asset to be auctioned in the United States Bankruptcy Court for the District of Nevada.

- Cangelosi's suggestion is false, harms Compass's reputation in the 20. community, and interferes with Compass's ability to conduct its business. This intentional interference harms Compass and the Direct Lenders.
- 21. Compass, pursuant to a legitimate business decision, withdrew its application for licensure as a Nevada Mortgage Broker on April 20, 2007. Consistent with its legal rights, Compass elected to perform its obligations under the Loan Servicing Agreements, Asset Purchase Agreement, and Bankruptcy Court Order outside the State of Nevada.
- 22. Cangelosi was quoted in the May 13, 2007, North Lake Tahoe Bonanza ("Bonanza article") as describing Compass's business decision to operate outside the state of Nevada as a "midnight move." This mischaracterization is false and operates to reduce Compass's reputation in the community and interferes with Compass's ability to conduct its business. This intentional interference harms Compass and the Direct Lenders.
- On information and belief, among Cangelosi's many wrongful acts and 23. misrepresentations, Cangelosi sent a letter to other Direct Lenders on May 13, 2007 ("May 13 letter") that described the United States Bankruptcy Court for the District of Nevada as a "circus" in which the bankruptcy judge makes "disparaging remarks to the attorneys" and the bankruptcy judge is not "fully briefed."
- These statements, in addition to the harm they work on the judiciary, 24. minimize the extraordinary efforts of Compass and others to resolve USA Commercial Mortgage Company's Chapter 11 bankruptcy. By minimizing these extraordinary efforts, these false statements operate to reduce Compass's reputation in the community and interfere with Compass's ability to conduct its business. This intentional interference harms Compass and the Direct Lenders.
- On information and belief, among Cangelosi's many wrongful acts and 25. misrepresentations, Cangelosi's May 13 letter described a legitimate and meritorious lawsuit

brought on Compass's behalf as "a nuisance suit designed to intimidate and crack the armor of the [Lender Protection Group.]" In the *Bonanza* article, Cangelosi was quoted as describing the same lawsuit as a "frivolous lawsuit."

- 26. Cangelosi, a non-party to the suit, is not an attorney and is therefore unable to responsibly opine on the merits of any lawsuit. Furthermore, Cangelosi's irresponsible statements operate to reduce Compass's reputation in the community and interfere with Compass's ability to conduct its business. This intentional interference harms Compass and the Direct Lenders.
- 27. On information and belief, among Cangelosi's many wrongful acts and misrepresentations, Cangelosi's May 13 letter stated, "The more money Compass invests in this portfolio [referring to Compass's business decision to purchase various rights of certain Direct Lenders in one of the investments], the higher return they must realize." In addition to being false, the statement mischaracterizes Compass and ignores the simple fact that, by buying those rights, Compass stands in the *exact same shoes* as that investment's Direct Lenders. This mischaracterization is false and operates to reduce Compass's reputation in the community and interferes with Compass's ability to conduct its business. This intentional interference harms Compass and the Direct Lenders.
- 28. On information and belief, among Cangelosi's many wrongful acts and misrepresentations, Cangelosi caused to be created and maintained a web site (www.usacapitallendersprotectiongroup.com) (the "Cangelosi web site") that encourages Direct Lenders to breach their agreements with Compass. The Cangelosi web site frequently disparages Compass by referring to Compass as "Buffalo Hunters" and "predators" who will put its interests above the Direct Lenders' interests. These disparaging statements are false. Additionally, the Cangelosi web site frequently warns that executing any Compass propounded documents, all of which serve Compass's and the Direct Lenders' legitimate business purposes, will "crode" the Direct Lenders' "rights." However, pursuant to the Loan Servicing Agreements, the Direct Lenders are obligated to execute the necessary

documents to service and otherwise administer the loan portfolio; therefore, Cangelosi's comments are both false and intentionally interfering. Lastly, the Cangelosi web site encourages and publishes false and disparaging statements made by others. Consequently, the Cangelosi web site operates to reduce Compass's reputation in the community and interferes with Compass's ability to conduct its business. This intentional interference harms Compass and the Direct Lenders. Cangelosi, by creating and maintaining the web site, is responsible for the harms the Cangelosi web site causes.

- 29. Consistent with her self-appointed and/or voluntary role, Cangelosi will continue to misrepresent the true facts and to disparage Compass to other Direct Lenders, individual borrowers, media outlets, and government officials including regulatory agencies and elected politicians.
- 30. By continuing her misrepresentations and disparagement of Compass to other Direct Lenders, individual borrowers, media outlets, and government officials including regulatory agencies and elected politicians, Cangelosi will continue to harm Compass as well the Direct Lenders by preventing the orderly and efficient administration of the loan portfolio.

First Claim For Relief (Intentional Interference with Contractual Relations)

- 31. Compass incorporates the prior and succeeding paragraphs as if they were set forth fully herein.
- 32. USA Commercial Mortgage Company and the Direct Lenders entered into valid and existing contracts for loan servicing.
- 33. Compass is the rightful owner of the rights enjoyed by USA Commercial Mortgage Company pursuant to an Asset Purchase Agreement and the United States Bankruptcy Court for the District of Nevada's Order.
- 34. Defendants knew of the Loan Servicing Agreements, the Asset Purchase Agreement, and the United States Bankruptcy Court for the District of Nevada's Order.

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35.	Defendants	committed	intentional	acts	intended	or	designed	to	disrupt	the
contractual re	lationships be	etween Con	npass and th	e oth	er Direct I	Len	ders.			

- 36. Defendants' intentional acts are on going.
- 37. Defendants intentional acts were made with fraud, oppression, or malice, expressed or implied.
- 38. There has been a disruption in the contractual rights due to the Defendants' intentional acts.
- Compass suffered damages as a result of the disruption caused by the 39. Defendants.
- It has been necessary for Compass to retain the services of legal counsel to 40. prosecute this action; therefore, Compass is entitled to attorneys' fees and costs related to this action.

Second Claim For Relief

(Intentional Interference with Prospective Economic Advantage)

- Compass incorporates the prior and succeeding paragraphs as if they were set 41. forth fully herein.
- 42. Prospective contractual relationships exist or existed between Compass and third parties.
 - 43. Defendants knew of these prospective relationships.
 - 44. Defendants intended to harm Compass by preventing the relationships.
 - Defendants had no privilege or justification for their intentional interference. 45.
 - 46. Defendants' conduct resulted in actual harm to Compass.
- 47. It has been necessary for Compass to retain the services of legal counsel to prosecute this action; therefore, Compass is entitled to attorneys' fees and costs related to this action.

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Third Claim For Relief

(Contractual Breach of the Implied Covenant of Good Faith and Fair Dealing)

- Compass incorporates the prior and succeeding paragraphs as if they were set 48. forth fully herein.
- 49. Defendants entered into valid and existing contracts for loan servicing with USA Commercial Mortgage Company.
- 50. Compass is the rightful owner of the rights enjoyed by USA Commercial Mortgage Company pursuant to an Asset Purchase Agreement and the United States Bankruptcy Court for the District of Nevada's Order.
 - 51. Defendants owed a duty of good faith to Compass.
- 52. Defendants breached that duty by performing in a manner that was unfaithful to the purpose of the contract.
 - 53. Compass's justifiable expectations were thus denied.
- 54. It has been necessary for Compass to retain the services of legal counsel to prosecute this action; therefore, Compass is entitled to attorneys' fees and costs related to this action.

Fourth Claim For Relief

(Defamation)

- Compass incorporates the prior and succeeding paragraphs as if they were set 55. forth fully herein.
 - Defendants made false and/or defamatory statements concerning Compass. 56.
- Unprivileged publications of Defendants' false and/or defamatory statements 57. were made to third persons.
- Defendants' false and/or defamatory statements were negligently and/or 58. intentionally made.
- Defendants' false and/or defamatory statements concerned Compass's alleged 59. lack of fitness for its trade, business, or profession.

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60.	Compass suffered actual or presumed damages as a result of the false and/o
defamatory st	atements.

- 61. Defendants' false and/or defamatory statements are ongoing.
- 62. Defendants' false and/or defamatory statements were made and are being made with fraud, oppression, or malice, expressed or implied.
- 63. It has been necessary for Compass to retain the services of legal counsel to prosecute this action; therefore, Compass is entitled to attorney's fees and costs related to this action.

Prayers For Relief

On its First Claim for Relief, Intentional Interference with Contractual Relations, Compass prays for:

- a) injunctive relief causing a cessation in the intentional interference of contractual relations,
- a) damages in excess of \$10,000,
- b) punitive damages,
- c) costs of suit incurred and reasonable attorneys' fees, and
- d) such other and further relief as the Court deems just and proper.

On its Second Claim for Relief, Intentional Interference with Prospective Economic Advantage, Compass prays for:

- a) injunctive relief causing a cessation in the intentional interference with prospective economic advantage,
- b) damages in excess of \$10,000,
- c) punitive damages,
- d) costs of suit incurred and reasonable attorneys' fees, and
- e) such other and further relief as the Court deems just and proper.

On its Third Claim for Relief, Contractual Breach of the Implied Covenant of Good Faith and Fair Dealing, Compass prays for:

- a) damages in excess of \$10,000,
- b) costs of suit incurred and reasonable attorneys' fees, and
- c) such other and further relief as the Court deems just and proper.

On its Fourth Claim for Relief, Defamation, Compass prays for:

- f) injunctive relief causing a cessation in the defamatory statements,
- g) damages in excess of \$10,000,
- h) punitive damages,
- i) costs of suit incurred and reasonable attorneys' fees, and
- j) such other and further relief as the Court deems just and proper.

DATED: May <u>/8</u>, 2007.

BULLIVANT HOUSER BAILEY PC

By

Peter C. Bernhard, Nevada Bar No. 734
Joseph P. Hardy, Nevada Bar No. 7370
Timothy J. Geswein, Nevada Bar No. 10049
3980 Howard Hughes Parkway, Suite 550
Las Vegas, Nevada 89169

Attorneys for Plaintiffs